



National Audit Office

# Regenerating the English Coalfields

## Appendix Two

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## Methodology

The NAO report examines the progress and impact of the Department for Communities and Local Government's (the Department) three specific initiatives to tackle coalfields regeneration in England. These initiatives are the National Coalfields Programme, the Coalfield Regeneration Trust (the Trust), and the Coalfields Enterprise Fund (the Fund). The report does not seek to evaluate the work of other national regeneration programmes and mainstream providers in the coalfields but it does consider how the three national coalfield-specific initiatives work alongside those efforts.

The methods we used were:

- 1 Interviews with key national and regional staff of the initiatives
- 2 Document review
- 3 Project review with members of the public, businesses and voluntary groups in four areas
- 4 Focus groups
- 5 Quantitative analysis
- 6 Comparison of changes in coalfield wards and non-coalfield wards
- 7 Literature research
- 8 Interviews with third parties
- 9 Expert panel

### **1 Interviews with key national and regional staff**

We conducted semi-structured interviews with key staff within the Department, the Homes and Communities Agency (the Agency), the Trust, the Fund and Regional Development Agencies to clarify understanding on the decision making process, how the programmes are monitored and work with others, and perception of risks going forward.

## 2 Document review

We examined the project appraisal processes and carried out a walkthrough of those processes at the Programme and the Trust. We reviewed relevant Department documents such as annual reports and plans, and programme evaluations including:

- **Regenerating the English Coalfields – interim evaluation of the coalfield regeneration programme 2007 (SQW)**
- Regeneration of Former Coalfield Area – Interim Evaluation 2000 (SQW)
- Coalfields Regeneration Trust: Evaluation of Activities in England (York Consulting Ltd)

## 3 Project review

We selected four review areas: Seaham/Easington in the North East, the Mansfield area in the East Midlands, Wakefield in Yorkshire and Wigan in the North West.

We selected the three regions with the largest coalfield populations and one smaller region (North West). We selected coalfield areas allocated at least £30 million of Programme and Trust funding.

The Trust has a larger spectrum of eligible wards than the Agency. We selected areas that had at least four sites and community projects in each area to give good coverage of both Programme and Trust projects. The criteria for selecting sites were:

- Variety of project status: under appraisal, approved not started, underway, public sector investment complete, private sector investment complete, no further action
- At least one rural and at least one urban case study area
- Total value of sites at least £30 million
- Mixture of target outputs
- At least one coalfield action partnership area
- Awareness of previous case study areas in the **2007 Department evaluation** and the **2008 Audit Commission report**.

Within each area we examined projects across a range of expenditure bands, at various stages of completion. We visited 20 sites and 17 community projects in total and reviewed the documentation with project managers, including:

- Community consultation
- Options appraisal
- Outputs to date and progress against targets milestones
- Expenditure and income to date
- Benefits achieved against planned forecasts
- Exit strategies
- Lessons learned
- Evaluation of projects
- National joint initiatives between the Trust and the Programme

### **4 Focus groups with members of the public, businesses and voluntary groups in four areas**

We commissioned Arup to conduct 12 focus groups in four of the seven coalfield regions. There were three focus groups in each of the four selected coalfield regions, one with businesses, one with the voluntary and community sector and one with individuals. Over 1,000 people were invited to the focus groups and 97 individuals attended.

Focus groups provide an indicative view of what people think rather than a representative community view. We wanted community and business views of projects to understand whether communities feel the projects have made a difference to them. The rationale for running focus groups is they provide more insight into the views of participants than a survey and allow for more discussion and consensus than interviews. Arup ran focus groups in each of the case study areas, in community venues in reasonable proximity to Programme and Trust initiatives. The focus groups were advertised in around 20 community hubs such as community centres, surgeries, and pubs and Arup contacted voluntary groups and businesses directly.

## 5 Quantitative Analysis

We examined programme data from the Agency and the Trust and we reviewed economic appraisals for 38 coalfield projects. We considered:

- Comparisons of cost per job and expenditure and outputs against benchmarks
- Comparison of performance for each tranche
- Comparison of additional outputs and job creation with other schemes

## 6 Comparison of changes in coalfield wards and non-coalfield wards

We compared trend changes in coalfield wards against national averages and a sample of non-coalfield wards with similar levels of deprivation. We selected available indicators relevant to the aims of the initiatives including full time employment, average earnings, Income Support claimants and Jobseekers allowance claimants.

We used a selection of non-coalfield wards to provide a comparator. The non-coalfield areas and coalfields wards had a similar demographic in 2000. The coalfield initiatives were intended to be additional to other regeneration work so if the coalfield regeneration was successful we would expect Trust and Programme wards to outperform non-coalfield areas.

We identified the mean average rank of the Trust and Programme wards from the 2000 Index of Multiple Deprivation database and selected the comparator sample of non-coalfields wards from between these two means. Our selection identified a sample of 212 wards, after adjusting for some boundary changes.

### Time Series

We expect to see coalfield areas improving economically and outperforming non-coalfield areas if coalfield regeneration is successful. We plotted the time series of variables: for example we looked at the average number of claimants per ward for each population. We compared changes to the mean of each population (coalfields vary in size and using a nominal total could lead to misleading results). We used the mean to estimate the difference to coalfield areas as a whole.

### Regression Analysis

To test the significance of any change over time we carried out regression analysis. Where the report states that a variable is significantly changing over time then this simply means the variable is changing more than expected.

## Technical challenges

Wards were set up in 1991 and given a specific name and code. In 2003 ward boundaries (and hence sizes), names and codes changed. We used the ward history database to map changes.

## 7 Literature review

We reviewed 15 academic research and policy papers relating to the coalfields, including:

- **Coalfield Communities, Fourth Report of Session 2003-04 Volume 1, House of Commons ODPM Select Committee Report and the Government's response**
- Coalfields Task Force Report and the Government's response
- **Working at the Coalface: a Mine of Opportunities (Audit Commission)**
- Twenty years on: has the economy of the coalfields recovered? (Beatty, Fothergill, and Powell)
- Coalfields and neighbouring cities: economic regeneration, labour markets and governance (Gore, Fothergill, Hollywood, Lindsay, Morgan, and Powell)
- The Real Level of Unemployment 2007 (Beatty, Fothergill, Sore and Powell)

## 8 Interviews with third parties

We conducted semi-structured interviews with government departments and agencies which are involved on the Department's Coalfield Forum:

- Big Lottery Fund
- Department for Children, Schools and Families
- Department for Culture, Media and Sport
- Department of Health
- Department for Innovation, Universities and Skills
- Department for Transport
- Department for Work and Pensions
- HM Treasury
- Home Office
- Learning and Skills Council
- Lottery Forum

We conducted semi-structured interviews with the Regional Development Agencies and local authorities in the case studies areas. We contacted 12 key stakeholder groups for their opinions on the coalfield regeneration including:

- The Alliance
- Coal Authority
- Coal Industry Social Welfare Organisation
- Priority Sites
- Land Restoration Trust

## **9 Expert Panel**

We discussed our methodology and emerging findings with six experts in coalfield regeneration, wider regeneration, job creation and sustainability:

- Dr Tony Gore, Principal Research Fellow at the Centre for Regional Economic and Social Research, Sheffield Hallam University
- Alex Burfitt, Audit Commission
- Professor John Shutt, Director of European Regional Economic Development Unit, Leeds Business School
- Professor John Diamond, Centre for Local Policy Studies, Edgehill University
- Professor Ray Hudson, Durham University
- Professor Paul Lawless, Assistant Dean for Research and Business Development for the Faculty of Development and Society, Sheffield Hallam University